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OFFICE OF GENERAL COUNSEL

July 15, 1997

Kenneth A. Davis Reports Analyst Federal Election Commission Washington, D.C. 20463

Re: Contributions to Texas County Democratic Parties

Dear Mr. Davis:

This is a follow-up to my letter of June 18, 1997, which contained the response of the National Education Association Political Action Committee ("NEA-PAC") to your June 4, 1997 letter to Ken Melley. In your letter, you stated that a preliminary review of NEA-PAC's 12 Day Pre-General Report (10/1/96 - 10/16/96) indicated that NEA-PAC had exceeded the contribution limit set forth in 2 U.S.C. § 441a(a) by making separate \$5,000 contributions to the Tarrant County (TX) Democratic Party, the Dallas County (TX) Democratic Party, the Harris County (TX) Democratic Party, and the Texas Democratic Party during 1996. You advised NEA-PAC to "notify the recipient and request a refund of the amount in excess of \$5,000," and to "inform the Commission of [its] corrective action immediately in writing and provide a photocopy of the refund request sent to the recipient committee(s)."

In my June 18 letter, I informed you that:

At the time the contributions were made to the county parties, however, it was NEA-PAC's understanding that each party was separate and distinct from the others and that none had been "established, financed, maintained, or controlled" by the Texas Democratic Party. Although there is nothing in your letter to indicate why this understanding is not correct, NEA-PAC will not at this juncture debate the point. Therefore, it has written to each of the county parties requesting a refund of the \$5,000 contribution it made on October 9, 1996.

Enclosed with my June 18 letter were photocopies of the letters requesting refunds that NEA-PAC had sent to the county parties.

On June 28, 1997, Lisa Y. Payne, Chairperson of the Dallas County Democratic Party, stated that NEA-PAC's request for a refund is not well-founded. In a letter to NEA-PAC Accountant Gerard Polchinski, a copy of which is enclosed for your convenience, Ms. Payne maintained that "the state